



**DEPARTMENT OF THE NAVY**  
NAVAL FACILITIES ENGINEERING COMMAND  
WASHINGTON NAVY YARD  
1322 PATTERSON AVENUE SE SUITE 1000  
WASHINGTON, DC 20374-5065

IN REPLY REFER TO  
ACQ 021  
19 Apr 99

**MEMORANDUM FOR DISTRIBUTION**

Subj: PAYMENT BY ELECTRONIC FUNDS TRANSFER (99-16)

Ref: (a) FAR Subpart 32.11

Encl: (1) ABM (RD&A)/ABM memo of 5 Apr 99

1. Reference (a) provides policy and procedures for contract payments to contractors by electronic funds transfer (EFT). Enclosure (1) advises that effective 30 June 1999, with limited exceptions, vendor payments made by the Defense Finance and Accounting Service (DFAS) will be made only by electronic funds transfer (EFT).

2. Please ensure immediate dissemination to all appropriate contracting personnel.

A handwritten signature in black ink, appearing to read "M. F. Howard", is positioned above the printed name.

**MICHAEL F. HOWARD**  
Director, Strategic Programs/  
Community Management Section



DEPARTMENT OF THE NAVY  
OFFICE OF THE ASSISTANT SECRETARY  
RESEARCH, DEVELOPMENT AND ACQUISITION  
1000 NAVY PENTAGON  
WASHINGTON DC 20350-1000

April 5, 1999

MEMORANDUM FOR DISTRIBUTION

Subj: PAYMENT BY ELECTRONIC FUNDS TRANSFER

We have been advised that effective June 30, 1999, with limited exceptions, Defense Finance and Accounting Service (DFAS) Centers will make vendor payments only by electronic funds transfer (EFT).

We are also aware that DFAS is currently encountering problems with EFT payment on Department of the Navy contracts, although at this time we do not know the extent or exact cause of the problems.

The purpose of this memorandum is to bring this issue to your attention and ask you to take steps to mitigate potential problems. For example, please:

- (1) ensure that contracts contain appropriate EFT clauses,
- (2) work with the Defense Contract Management Command (DCMC) and DFAS, as reasonable and appropriate, to make contractors aware of their responsibilities under the EFT clauses in their contracts,
- (3) ensure that contractor Taxpayer Identification Numbers have been provided to or are available to DFAS,
- (4) ensure that, unless an exception applies, contractors are registered in the Central Contractor Registration (CCR) database prior to award of a contract, basic agreement, basic ordering agreement, or blanket purchase agreement,
- (5) in cases where an exception to being registered in CCR prior to award applied, work with the contractor, and the cognizant DCMC and DFAS offices, to make arrangements for EFT payment, if appropriate.

*Elliott B. Branch*  
Elliott B. Branch  
Executive Director  
Acquisition and Business  
Management

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